

The Morenci Water & Electric Company

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AZ CORP COMMISSION
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October 30, 2014

Mr. Brian Bozzo
Utilities Division - Compliance Section
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
Facsimile (602) 542-2129

ORIGINAL

Re: *Semi-Annual Report of the Morenci Water & Electric Company*
Pursuant to A.A.C. R14-2-1618.D Docket E-01049A-01-0271 Decision #63635
Period: January 1, 2014 through June 30, 2014

Dear Mr. Bozzo:

The Morenci Water & Electric Company (MW&E) submits the following semi-annual report pursuant to A.C.C. R14-2-1618D, Docket E-01049A-01-0271, Decision #63635 for period January 1 through June 30, 2014. MW&E sold 1,014,347,969 kWhs to retail customers and collected \$34,980.75 from residential, commercial and industrial customers from the Renewable Energy Standard Surcharge.

MW&E did not spend any funds associated with the Renewable Energy Standard Surcharge.

MW&E does not generate any power; rather it purchases power on the wholesale market. MW&E has requested information from its wholesale provider about the percentage of purchased power that would meet the environmental portfolio definition. MW&E has been informed that energy that meets the environmental portfolio is not provided in the total mix of firm and non-firm power purchased by MW&E.

Although, MW&E does not presently purchase this type of energy, MW&E will work with our providers to determine the availability. If not available, MW&E may seek a temporary waiver for this requirement.

Please contact me if you have any questions or concerns.

Sincerely,

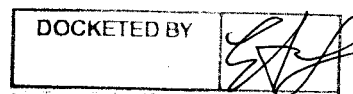
Jeff Kincaid
Senior Supervisor - Accounting

Arizona Corporation Commission

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cc: Mike Patten – Roshka, DeWulf & Patten, PLC, Phx (via e-mail)
Michael McElrath – Freeport-McMoRan Copper & Gold (via e-mail)
Roy Archer – Freeport-McMoRan Copper & Gold (via e-mail)
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